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ABERDEEN
CITY COUNCIL

14 January 2019

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Dear Ms Gil, Ms Hackett and Mr Krasnowski,

Aberdeen City Region Deal OGTC- 18 Month Checkpoint and Review Report

On behalf of the City Region Deal Joint Committee I would like to formally communicate our response to the two conditions set out by the Delivery Board outlined in your letter dated 13th September 2018. A full response can be found in the three papers attached.

1. New appropriate stretched targets and output Measures for 36-month review

The paper **OGTC 36 Month Revised Targets** shows the current targets which are outlined in the Aberdeen City Region Deal, along with new appropriate stretched targets to be used in the 3year review, due October 2019.

2. OGTC current operating model and plans for financial sustainability

OGTC have outlined their current operating model in the attached **Governance** Document. In my role as an observer on the OGTC Board I will continue to work with colleagues/partners to explore funding options. We are also ready to work with the UK and Scottish Government to create sustainable planning arrangements following the ten years. This will include the Oil and Gas Sector being included in future Government Funding arrangements.

We note that the Delivery Board has agreed to continue to pay quarterly in advance. Please find in the paper **OGTC Funding Principles** the evidence, rationale and business need on why payments in advance is necessary to support the OGTC to deliver its outcomes.

RICHARD SWEETNAM
CHIEF OFFICER



The City Region Deal Joint Committee attributes the quarterly in advance payments as the key enabler for the fast-paced development of the Oil and Gas Technology Centre which has exceeded the original targets and now allows OGTC to stretch targets eighteen months into the project. This was outlined in the original Business Case and we hope that the case outlined continues to see this arrangement in place for the remaining eight years of the Deal, allowing the OGTC to flourish.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Sweetnam', written in a cursive style.

Richard Sweetnam
Chief Officer City Growth